

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
APRIL 21, 2014**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, April 21, 2014.

The meeting was called to order by Chairman Wayne Schuetter.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Rick Stradtner – Vice Chairman
Doug Schulte – Secretary
Alex Emmons – Wastewater Commissioner
Ken Sendelweck – Electric Commissioner
Dave Hurst – Water Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Ernie Hinkle – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Renee Kabrick – City Attorney
Ashley Kiefer – Office Manager

ABSENT:

Keith Masterson – Gas Commissioner

PLEDGE OF ALLEGIANCE (DVD-00:38)

Chairman Wayne Schuetter led the Pledge of Allegiance.

QUOTE OPENING: 4WD SUV – GAS & WATER DEPT. (DVD-01:14)

Bud Hauersperger stated that two quotes were received for the four-wheel drive SUV. Hauersperger asked if anyone else had a quote to turn in for the SUV. Hauersperger opened the quotes and read them aloud as follows:

- | | |
|---|--|
| 1. Bob Luegers
Jasper, IN | \$27,337.00 (GMC Terrain) |
| 2. Sternberg Automotive Group
Jasper, IN | \$23,990.00 (Dodge Journey)
\$28,852.00 (Dodge Durango) |

All quotes included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation, and an Affidavit Regarding Non-responsibility.

Ernie Hinkle stated that the SUV was in the Capital Expenditure Plan for \$30,000. Hinkle asked for permission to review the specifications of the SUV's, and if met, purchase the SUV with the low quote. Rick Stradtner made a motion to give Hinkle permission to purchase the SUV with the low quote of \$23,990 from Sternberg Automotive Group, upon review of the specifications. Dave Hurst seconded the motion. Motion approved, 6-0.

APPROVAL OF MINUTES (DVD-05:39)

Chairman Wayne Schuetter presented the minutes of the March 17, 2014 Regular Meeting and there being no corrections or amendments, asked for a motion to approve the minutes. Ken Sendelweck made a motion to approve the minutes of the March meeting as presented. Doug Schulte seconded the motion. Motion approved, 6-0.

COST SHARE WITH WATER DEPT. ON MAIN EXTENSION – BRAD ECKERLE FROM BROSMER LAND SURVEYING ON BEHALF OF JOHN WOLLENMANN (DVD-06:05)

Brad Eckerle with Brosmer Land Surveying, on behalf of John Wollenmann, reminded the Board that last month he asked for the Board's permission for a water main extension to the Wollenmann's property. After reviewing the pipe size with Hinkle and the owner, John Wollenmann, they decided there was a desire for a cost share with the Water Department. The cost difference for 6 inch pipe verses eight inch pipe is approximately \$2,800. Eckerle asked for the Board's permission for a cost share of a not-to-exceed \$2,800. Hinkle has approved the specifications and agrees with the cost share.

Doug Schulte made a motion to approve the cost share with John Wollenmann and the Water Department for a main extension using an eight inch line verses a six inch line for a not-to-exceed \$2,800. Dave Hurst seconded the motion. Motion approved, 6-0.

RESULTS FROM LAST MONTH'S QUOTE OPENING FOR PICKUP (DVD-07:48)

Jerry Schitter asked for the Board's permission to purchase the 4 x4 pickup, which met all specifications, for the low quote amount of \$25,401 from Sternberg Chrysler. Alex Emmons made a motion to give Schitter permission to purchase the 4x4 pickup from Sternberg Chrysler for the low quote amount of \$25,401. Rick Stradtner seconded the motion. Motion approved, 6-0.

IMEA MEMBERSHIP DUES FOR 2014 (DVD-08:58)

Schitter informed the Board that the IMEA (Indiana Municipal Electrical Association) annual dues are \$8,830.70, which is the same amount as last year. Schitter said that IMEA does safety training, lobbying and holds two meetings every year.

Ken Sendelweck made a motion to approve the annual membership dues from IMEA for \$8,830.70. Rick Stradtner seconded the motion. Motion approved, 6-0.

COPIER TRANSFER (DVD-10:20)

Schitter informed the Board that the Civil City's Engineering Department is getting a new copier. Schitter asked for permission from the Board to accept the transfer of the old copier from the Engineering Department to the Electric Distribution Department at no cost.

Alex Emmons made a motion to give Schitter permission to accept the old copier from the Civil City's Engineering Department to the Electric Distribution Department at no cost. Doug Schulte seconded the motion. Motion approved, 6-0.

JASPER CLEAN ENERGY MONTHLY REPORT (DVD-11:36)

Bill Kaiser, with Bingham, Greenebaum, and Doll, addressed the Board regarding the Jasper Clean Energy monthly report. Kaiser stated that along with the report Jasper Clean Energy and Jay Catasein provided notice with their intent to terminate the lease currently in place with the City of Jasper. The notice is a sixty day notice and will become effective June 20, 2014. The notice is due to the project no longer being economically viable.

Catasein summarized the things Jasper Clean Energy reviewed in March on the economic feasibility of the proposed Jasper Clean Energy Center, which included: 1) continued advancements in the establishment, yielding, harvesting and logistics of the proposed Miscanthus supply; 2) the cost efficiencies utilizing the existing steam turbine generator within the facility; 3) the continued decreases in price of alternate sources of renewable energy generation including wind and solar; 4) the abundance of relatively inexpensive US natural gas reserves and future production; 5) the closing of the older coal fired plants in the region, which are being replaced by generating units more efficient than the proposed JCEC due to scale economies; 5) primary limitations of the Jasper Power plant site ; 6) the completion of new lower effective cost and more efficient "large scale" natural gas combined cycle power projects; 7) the lagging regional electric demand growth driven by the lackluster US economic recovery, low natural gas prices and the push by the IRUC during the past few years requiring Electric Utilities to promote more commercial and industrial energy efficiency.

Kaiser stated that these economic reasons have led Catasein to his conclusion, under section 303 of the lease, that he will not be able to meet the conditions precedents. Catasein does, under the lease, have the right to terminate if he is unable to meet his obligations, which he has stated he will not be able to do.

Kaiser stated that the City does have the opportunity during the sixty days, until June 20th, to consider what action they want to take. Therefore, effective June 20, 2014 the lease with Jay Catasein and Jasper Clean Energy will be invalid. No action is required by the City or the Utility Service Board.

Chairman Schuetter stated that after the litigation was closed, Catasein did a complete review of the plan, and at that time decided it was no longer feasible to move forward with the project due to the poor scale of economy. The Board did not make any decisions at this time about moving forward.

ELECTRIC PLANNING COMMITTEE REPORT (DVD-21:07)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the committee did not meet during the past month.

PERMISSION TO REPLACE 2 EMPLOYEES (DVD-21:19)

Ernie Hinkle informed the Board that he recently lost two employees from the Gas and Water Distribution Crew and would like the Board's permission to replace the employees.

Dave Hurst made a motion to give Hinkle permission to replace the two Distribution Crew members. Alex Emmons seconded the motion. Motion approved, 6-0.

APPROVAL TO EXTEND WATER SERVICE TO LINUS BUECHLER RESIDENCE ON OLD HUNTINGBURG ROAD (DVD-22:50)

Hinkle reminded the Board that a couple of months ago he received permission from the Board to run a water service to 100 South for the Bob Wehr residence. Since that time, Hinkle was approached and asked to extend water service to the Linus Buechler residence located just south of the Bob Wehr residence. Buechler's also have documents stating that their well water has been contaminated. The residence is utilizing bottled water at this time.

Attorney Kabrick is currently looking over all the easements. Kabrick stated that the last easement, regarding the Wehr extension, was not received by the Legal Department and was recorded as a private easement. That line was installed and usage has begun. That easement was intended to be a Public Utility and Drainage Easement, but instead is a 40 foot private easement. Kabrick stated that she would like the second water line to go through this 40 foot easement and wants to change the current private easement to a Public Utility and Drainage Easement, which means vacating the private easement. Kabrick stated that the Board can approve the extension, contingent upon the current easement being changed to a Public Utility and Drainage Easement.

Doug Schulte made a motion to approve the request for a water service extension to the Linus Buechler residence, contingent upon approval of easements by the City Attorney. Rick Stradtner seconded the motion. Motion approved, 6-0.

REQUEST APPROVAL OF CIMA CONTRACT (DVD-30:43)

Hinkle asked for the Board's approval for a contract to trade ANR natural gas imbalances with CIMA Energy. This transaction is similar to other contracts in place. This contract will be limited to imbalance transactions only. Attorney Kabrick is reviewing the contract at this time.

Dave Hurst made a motion to approve the contract to trade ANR natural gas imbalances with CIMA Energy, contingent upon Kabrick's approval. Doug Schulte seconded the motion. Motion approved, 6-0.

REQUEST PERMISSION TO PURCHASE GAS PIPE DISPENSING TRAILER AND FUSION MACHINE (DVD-32:59)

Hinkle requested the Board's permission to purchase a gas pipe dispensing trailer and a fusion machine. Many customers have asked for plastic gas pipe to be installed verses iron pipe, due to it being less expensive for the customer. At this time the Gas Department does repair and maintain the small amount of plastic pipe on the East side of town, but they are not equipped to install plastic mains and service lines. Many customers are now interested in installing plastic gas pipe and equipment is needed to do that. Hinkle stated that the dispensing trailer costs approximately \$8,000, and the fusion machine, which bonds the end of pipe together, costs approximately \$3,500.

Hinkle would like to send out request for quotes on the dispensing trailer and fusion machine and open them at the Special Utility Service Board meeting on May 6, 2014. Dave Hurst made a motion to allow Hinkle to seek quotes for the gas pipe dispensing trailer and the fusion machine needed to install plastic gas lines to open at the May 6th Special meeting. Ken Sendelweck seconded the motion.

Alex Emmons questioned if the equipment is necessary and where the money for the equipment would come from, since it was not in the 2014 Capital Expenditure Plan. Hinkle explained that installing the pipe without the trailer could cause safety issues. Hinkle said this is a new process for the City and the equipment will be a productivity gain if purchased. No welding will be needed if plastic pipe is being used, which will also save money.

Chairman Schuetter stated that the chlorination system came in under budget around \$5,000, and that if the specifications for the low quote on the SUV are accepted, that will save an additional \$6,000, which will cover most of the cost for the new equipment.

Motion approved, 6-0.

GAS PLANNING COMMITTEE REPORT (DVD-45:20)

Wayne Schuetter, Chairman of the Utility Service Board, stated that the Gas Committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (DVD-45:35)

Dave Hurst, Chairman of the Water Planning Committee, stated the committee did meet on April 3, 2014. At the meeting Bud Hauersperger said the issue with the 3rd Avenue change-order project will be tabled and another Committee meeting will be scheduled later to review the change-order. Derick Wiggins with Midwestern Engineers is still reviewing it at this time.

Hauersperger also informed the Committee that the UV Treatment project is progressing. Midwestern Engineers is trying to get the UV equipment ordered. A Special USB meeting will be scheduled in early May to open the quotes and then the quote for the equipment will be awarded at the regular USB meeting on May 19th.

The Committee also reviewed the Beaver Lake Spillway study. Brian McKenna, from Christopher B. Burke Engineering, LLC (CBBEL) was present to discuss the results of the feasibility study on increasing the normal pool elevation of Beaver Creek Lake. CBBEL looked at 5 different alternatives. The alternatives were evaluated based on their cost, impact on dam

safety, maintenance, environmental impacts, constructability, and ability to be permitted by the regulatory agencies.

McKenna stated that they requested construction estimates from Force Construction (which would be more accurate), but they have not received them yet.

McKenna also informed the Committee that the University of Evansville has constructed a hydraulic physical to scale model (1:100) of the Beaver Creek Lake Dam spillway for a research project on the relationship between spillway discharge and reservoir elevation.

The Committee decided to wait until they received the information from Force Construction and the results from the University of Evansville model research before making any decisions. Another Committee meeting will be scheduled to review those results.

3rd AVENUE CHANGE- ORDER (DVD-48:55)

Derick Wiggins, with Midwestern Engineers explained, in detail, the circumstances surrounding the 3rd Avenue project change-order. Wiggins stated that Midwestern received a letter from ISI dated February 25th with a change-order request. Midwestern in return submitted a letter on March 21st to the City of Jasper recommending their payment amount on the ISI change-order request. On April 10th a meeting was held with ISI, Midwestern, Bud Hauersperger, and Ernie Hinkle. After the meeting another letter was submitted from Midwestern to the City regarding the change-order. Wiggins stated that a lot of information was exchanged in the letters and at the meeting regarding the change-order submitted by ISI.

The change-order request from ISI was initially \$51,000 due to unforeseen circumstances with rock excavation. After the meeting held on April 10th, ISI re-submitted the change-order for an approximate amount of \$28,000. Initially Midwestern thought the change-order request should be about \$14,000. After reviewing the information from ISI, Midwestern compromised to \$21,000. Wiggins did state that ISI included rock excavation in the price of their bid. Some provisions were stated in the contract under "General Conditions" about the existence of unforeseen circumstances or conditions and whether or not they should have known about them before bidding. ISI stated that they did probe the project before bidding, but since ninety percent of the construction was in the street they could not probe exactly where the trench was, therefore they feel it is an unforeseen condition.

Attorney Kabrick stated that the contract is clear. She would like to hear their arguments and why they feel they were unforeseen conditions. Hauersperger stated that they have heard ISI's arguments and looked extensively at the drawings. Wiggins stated that per the contract, written notice should have been received if unforeseen conditions arose. There may have been verbal notice, but no written notice was received by Midwestern Engineers.

Chairman Schuetter stated that he would like to table this discussion and have a Water Committee meeting with ISI present to explain the amount of the change-order.

Ken Sendelweck made a motion to schedule a Water Committee meeting to discuss the 3rd Avenue change-order. Doug Schulte seconded the motion. Motion approved, 6-0.

DIGESTER DOME PROJECT COMPLETE (DVD-1:02:03)

Ed Hollinden informed the Board that the Digester Dome project is complete. The inner membrane of the old dome had a leak and had to be replaced. Hollinden showed the Board pictures of the domes construction from start to finish. The entire project took about 10 days to complete. Hollinden also stated that the alarms at the dome were going off last night. They are trying to figure out the cause. There is a one year warranty on the dome.

WASTEWATER PLANNING COMMITTEE REPORT (DVD-1:12:51)

Alex Emmons, Chairman of the Wastewater Planning Committee, stated the committee did not meet during the past month.

TYLER CONSULTANT ON SITE FOR INVENTORY MODULE CONVERSION (DVD-1:12:57)

Ashley Kiefer informed the Board that, as of this morning, a Tyler consultant is onsite installing the last large module into the Tyler software system, which is the inventory module. Later this week he will be training the remote employees who will use this module, like Electric, Gas and Water employees. Eventually Wastewater employees will be brought in to use the inventory module also. By the end of the week the module should be up and running.

Kiefer stated that the credit card and bill pay modules are the only two small modules that still need to be installed into the system. Kiefer stated that in our current Utility Ordinance, it states that the only methods of payment are cash, check, or money order. The credit card type payment will need to be added into the Ordinance. Kiefer also stated that a decision will need to be made regarding who will pay for the credit card fees from the credit card companies. Chairman Schuetter stated that a Finance Committee meeting will need to be scheduled to discuss the credit card issues.

IMPA ENERGY EFFICIENCY PROGRAM (DVD-1:16:02)

Bud Hauersperger informed the Board that as of January 1st, IMPA expanded their energy efficiency program to include residential heating ventilation and air conditioning. The rebates include heat pumps, central air, and geo-thermal units. Hauersperger stated that we need to get this information out to the public. A form is available in the Utility Business Office if anyone is interested.

WATER LINE INSURANCE COMPANIES (DVD-1:17:22)

Hauersperger informed the Board that some company is calling residences in town and are trying to sell water line insurance. They claim to insure the piece of pipe from the main to the house line. Hauersperger warned customers to review the disclaimer information before purchasing; they exclude a lot of items. Jasper Municipal Utilities do not endorse this insurance.

IT PROPOSAL (DVD-1:18:30)

Hauersperger informed the Board that he has been in contact with Brian Scott, with Technology Dynamics. Scott has worked with Greater Jasper Schools. The City is in dire need for IT support and Scott has submitted a proposal to the City for an Informational Technology Master Plan.

The quote amount is \$15,840. The Civil City and Municipal Utilities would split the cost 50/50. Hayersperger asked for the Board's approval to proceed with Scott and the IT master plan for a not-to-exceed cost of \$8,000.

Rick Stradtner made a motion to approve entering into an agreement with Technology Dynamics and Brian Scott for IT services not-to-exceed \$8,000, contingent upon the City paying half of the \$15,840. Doug Schulte seconded the motion. Motion approved, 6-0.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (DVD-1:23:58)

Doug Schulte reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Ken Sendelweck made a motion to approve the claims as presented. Alex Emmons seconded the motion. Motion approved, 6-0.

HIRONS CONTRACT (DVD-1:24:30)

Attorney Kabrick reminded the Board that in the fall of 2013 they approved a contract from Hirons and Company to help with the promotion of our Economic Development Strategy. Hirons services have been used by the Civil City more than by the Municipal Utilities. Kabrick would like to revise the terms of the agreement and bill part of the contract to the Civil City. The original terms of the contract were a monthly fee of \$5,000. Kabrick would like the new terms to be \$1,250 per month for the Utilities. Hirons would assist the Utilities with promoting the potential compressed natural gas facility, utility infrastructure projects, and ongoing creation of economic opportunities within the City of Jasper.

Dave Hurst made a motion to approve the contract change with Hirons and Company from \$5,000 per month to \$1,250 per month. Alex Emmons seconded the motion. Motion approved, 6-0.

Chairman Schuetter stated that the CNG project with Kellie Walsh is still being investigated.

UV PROJECT (DVD-1:28:16)

Attorney Kabrick informed the Board that the requests for bids and specifications for the UV equipment have been mailed out. The City received a proposed Agreed Order from IDEM, which confirms that the proposed UV equipment being installed would bring everything into compliance with their requirements. The Agreed Order had several terms which need to be incorporated into the specifications of the project. An Addendum will need to be added to the bid packet stating these terms. Kabrick will also be revising the language in the bid packet to include the terms of the Agreed Order. The bids are set to be opened on May 6th at the Special USB Meeting.

There being no further business to come before the Board, the meeting was adjourned at 8:32PM upon motion by Alex Emmons and second by Rick Stradtner. Motion approved, 6-0.

The minutes were hereby approved _____ with X without corrections this _____ day of _____, 2014.

Attest: _____
Secretary Chairman